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SUBJECT: TURKMENISTAN: MFA WELCOMES USAID PROPOSAL FOR NEW
"COOPERATION AGREEMENT"

REF: A) ASHGABAT 1282

11. (U) Sensitive but unclassified. Not for public Internet.

12. (SBU) SUMMARY: As part of his initial visit to Turkmenistan, USAID/CAR Regional Mission Director Bill Frej met with First Deputy Minister of Foreign Affairs Vepa Hajiyevev on December 13 to discuss potential opportunities to expand USAID's engagement in Turkmenistan. In a warm and cordial conversation, Hajiyevev expressed a willingness to promote bilateral cooperation, including in the education and economic sectors, and pledged that the Ministry would put its best efforts forward to this end. Recognizing that the 1993 bilateral agreement was now 14 years old, Hajiyevev welcomed Frej's proposal to discuss a new "cooperation agreement" that could help to normalize assistance activities in Turkmenistan. Once concluded, such an agreement could streamline the process for new USAID implementers to begin working in Turkmenistan and reduce existing partners' lingering operational barriers. Concluding a new bilateral assistance agreement could take much longer than we would like because while Turkmenistan's spirit may well be willing, its bureaucratic body is still sclerotic. END SUMMARY.

WELL-BRIEFED HAJIYEV READY TO TALK ABOUT 2008 OPPORTUNITIES

13. (U) On December 13, USAID/CAR Regional Mission Director Bill Frej and Embassy officers met with First Deputy Minister of Foreign Affairs Vepa Hajiyevev. Recognizing the potential relevance of Frej's past experience in Indonesia due to the common religious and cultural heritage, Hajiyevev said that this could help him lead USAID to success in Turkmenistan. Hajiyevev acknowledged that USAID's cooperation with Turkmenistan in 2007 had become "more active and engaged," and said that its targeted programs in health, education, and economic sectors had provided "substantial support" for the reforms carried out by President Berdimuhamedov.

14. (U) Noting that Institute for Democracy and Human Rights' Director Shirin Ahmedova recently told DRL Deputy Assistant Secretary Erica Barks-Ruggles that she had submitted her positive

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recommendation to the Ministry of Foreign Affairs for new cooperation with USAID, Frej asked when USAID might expect to receive a reply. Hajiyeve said the next step was to discuss implementation questions in follow-up meetings. He added that the proposal was in line with the Institute's priorities and reflected the current situation.

EDUCATION COOPERATION: "AVOID COMET FROM DIFFERENT GALAXY"

15. (SBU) Hajiyeve asked for specific areas of interest for new programs in 2008. Frej responded that USAID planned to discuss its proposal on a new education program with Deputy Prime Minister Saparliyeve later that day. Acknowledging the past difficulties working with the Ministry of Education, Frej asked for advice to work in this sector of common interest. Hajiyeve said USAID's previous education program (NOTE: This program, known as PEAKS, concluded in November 2007. END NOTE.) was based on different realities that were not matched to the needs of Turkmenistan. Before approving a new program, he promised it would be reviewed to see how it could be gradually introduced. In any event, USAID should avoid programs that are "like a comet from a different galaxy". (COMMENT: The PEAKS' program's interactive teaching methodologies were adapted to cultural context, translated into Turkmen, and embraced by participants starved for access to new pedagogical materials. Post believes that other factors, including obstructive ministry personnel, played a larger role in PEAKS' failure to gain acceptance. END COMMENT.)

16. (U) Hajiyeve asked if the new program was the same as the previous program. USAID's Turkmenistan Country Representative clarified that while some activities, such as teacher retraining, would build on the past program's results, other activities like management training modules for school directors were new. Since both of these areas had been highlighted by President Berdimuhamedov

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shortly after taking office, these areas had been selected based on stated government priorities. Based on this, Hajiyeve promised to discuss the proposal with the Deputy Minister of Education in the next weekly "Deputies Meeting."

WIDER ECONOMIC COOPERATION REMAINS POSSIBLE

17. (U) Frej also inquired about the status of USAID's "Investor Roadmap" proposal to the Ministry of Economy and Finance (Reftel A). Hajiyeve said the Ministry was undertaking a macro-level inventory that would help bring it up to international standards. Although not an economist, he understood that unification of the exchange rates was a big step toward opening the economy and improving the investment climate. To this end, he advised that he would follow up on USAID's proposal.

"TEST OF OUR EFFORTS IS TO EXPAND RELATIONS"

18. (U) Hajiyeve said that the Foreign Ministry now has a "better feeling" on cooperation with USAID and would always put its best efforts forward. Calling cooperation the basis for successful diplomacy, he said that the test of these efforts would be to expand relations. Frej acknowledged the positive developments in bilateral relations over the past year and proposed a new "cooperation agreement" to help regularize assistance operations in Turkmenistan. We look forward to a more formal relationship, and USAID is ready to take this next step if Turkmenistan agrees.

19. (U) Noting that much has changed since 1993 when the existing bilateral agreement was signed, Hajiyeve welcomed this "very important" suggestion. He suggested that the U.S. side submit a draft agreement. Although he recognized negotiations could take a long time, he said that a streamlined process to expedite consultations would be helpful.

110. (SBU) COMMENT: This was a productive initial meeting that went far beyond the intended introductory courtesy call. Hajiyeve was well-briefed for the meeting and prepared to discuss specific opportunities for new cooperation. Frej's proposal to develop a new

"cooperation agreement" could help to normalize assistance activities in Turkmenistan and have lasting impact by streamlining the process for new USAID implementers to begin working in Turkmenistan and reducing existing partners' lingering operational barriers.

¶11. (SBU) COMMENT CONTINUED: Deputy Foreign Minister Hajiyeu is gaining a higher substantive profile since Foreign Minister Meredov is spending more and more time in the Presidential Apparatus and is increasingly harder for visitors to see. We judge that this meeting with Hajiyeu is another positive step on the generally upward trajectory of our new bilateral relationship. Hajiyeu's warning that negotiating a new bilateral assistance agreement could take a long time is reality. Embassy Ashgabat has other draft agreements that have already been stuck in the Turkmenistan bureaucracy for six months without any response. While Turkmenistan's spirit may well be willing, its bureaucratic body is still sclerotic. END COMMENT.

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